

1 AN ACT in relation to municipalities.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-2-9 and 8-3-1 as follows:

6 (65 ILCS 5/8-2-9) (from Ch. 24, par. 8-2-9)

7 Sec. 8-2-9. In municipalities with less than 500,000
8 inhabitants, the corporate authorities shall pass an
9 ordinance within the first quarter of each fiscal year, to be
10 termed the annual appropriation ordinance. In this ordinance,
11 the corporate authorities (i) may appropriate sums of money
12 deemed necessary to defray all necessary expenses and
13 liabilities of the municipalities, including the amounts to
14 be deposited in the reserves provided for in the Illinois
15 Pension Code and (ii) shall specify the objects and purposes
16 for which these appropriations are made and the amount
17 appropriated for each object or purpose. Among the objects
18 and purposes specified shall be the reserves provided for in
19 the Illinois Pension Code. Except as otherwise provided, no
20 further appropriations shall be made at any other time within
21 the same fiscal year, unless a proposition to make each
22 additional appropriation has been first sanctioned by a
23 petition signed by electors of the municipality numbering
24 more than 50% of the number of votes cast for the candidates
25 for mayor or president at the last preceding general
26 municipal election at which a mayor or president was elected,
27 by a petition signed by them, or by a majority of those
28 voting on the question at a regular election or at an
29 emergency referendum authorized in accordance with the
30 general election law. The corporate authorities may by
31 ordinance initiate the submission of the proposition. During

1 any fiscal year, the corporate authorities in municipalities
2 subject to this Section may adopt a supplemental
3 appropriation ordinance in an amount not in excess of the
4 aggregate of any additional revenue available to the
5 municipality, or estimated to be received by the municipality
6 after the adoption of the annual appropriation ordinance for
7 that fiscal year, or from fund balances available when the
8 annual appropriation ordinance was adopted but that were not
9 appropriated at that time. The provisions of this Section
10 prohibiting further appropriations without sanction by
11 petition or election shall not be applicable to the
12 supplemental appropriation for that fiscal year. The
13 corporate authorities at any time, however, by a two-thirds
14 vote of all the members of the body, may make transfers
15 ~~within--any--department--or--other--separate--agency--of--the~~
16 ~~municipal--government~~ of sums of money appropriated for one
17 corporate object or purpose to another corporate object or
18 purpose, but no appropriation for any object or purpose shall
19 thereby be reduced below an amount sufficient to cover all
20 obligations incurred or to be incurred against the
21 appropriation. Nothing in this Section shall deprive the
22 corporate authorities of the power to provide for and cause
23 to be paid from the funds of the municipality any charge
24 imposed by law without the action of the corporate
25 authorities, the payment of which is ordered by a court of
26 competent jurisdiction.

27 At least 10 days before the adoption of the annual
28 appropriation ordinance, the corporate authorities of
29 municipalities over 2,000 in population shall make the
30 proposed appropriation ordinance or a formally prepared
31 appropriation or budget document upon which the annual
32 appropriation ordinance will be based conveniently available
33 to public inspection. In addition, the corporate authorities
34 shall hold at least one public hearing on that proposed

1 appropriation ordinance. Notice of this hearing shall be
2 given publication in one or more newspapers published in the
3 municipality or, if there is none published in the
4 municipality, in a newspaper published in the county and
5 having general circulation in the municipality at least 10
6 days before the time of the public hearing. The notice shall
7 state the time and place of the hearing and the place where
8 copies of the proposed appropriation ordinance or formally
9 prepared appropriation or budget document will be accessible
10 for examination. The annual appropriation ordinance may be
11 adopted at the same meeting at which the public hearing is
12 held or at any time after that public hearing.

13 After the public hearing and before final action is taken
14 on the appropriation ordinance, the corporate authorities may
15 revise, alter, increase, or decrease the items contained in
16 the ordinance.

17 Notwithstanding any above provision of this Section, any
18 municipality in which Article 5 becomes effective after the
19 annual appropriation ordinance has been passed for the
20 current fiscal year may amend the appropriation ordinance in
21 any manner necessary to make Article 5 fully operative in
22 that municipality for that fiscal year. No amendment shall be
23 construed, however, to affect any tax levy made on the basis
24 of the original appropriation ordinance.

25 This Section does not apply to municipalities operating
26 under special charters.

27 (Source: P.A. 86-1470; 87-365.)

28 (65 ILCS 5/8-3-1) (from Ch. 24, par. 8-3-1)

29 Sec. 8-3-1. The corporate authorities may levy and
30 collect taxes for corporate purposes. They shall do this in
31 the following manner:

32 On or before the last Tuesday in December in each year,
33 the corporate authorities shall ascertain the total amount of

1 ~~appropriations-legally-made-or~~ budgeted for and any amount
2 deemed necessary to defray additional expenses and
3 liabilities for all corporate purposes to be provided for by
4 the tax levy for the next fiscal year ~~of-that-year~~. Then, by
5 an ordinance specifying the amount and purpose of the sums to
6 be levied ~~in-detail-in-the-manner-authorized-for--the--annual~~
7 ~~appropriation--ordinance--or--budget-of-the-municipality,~~ the
8 ~~purposes-for-which--the--appropriations,~~ budgeting ~~or--such~~
9 ~~additional--amounts--deemed--necessary-have-been-made-and-the~~
10 ~~amount--assignable--for--each---purpose---respectively,~~ the
11 corporate authorities shall levy upon all property subject to
12 taxation within the municipality as that property is assessed
13 and equalized for state and county purposes for the current
14 year.

15 A certified copy of this ordinance shall be filed with
16 the county clerk of the proper county. He shall ascertain the
17 rate per cent which, upon the value of all property subject
18 to taxation within the municipality, as that property is
19 assessed or equalized by the Department of Revenue, will
20 produce a net amount of not less than the total amount so
21 directed to be levied. The county clerk shall extend this tax
22 in a separate column upon the books of the collector of state
23 and county taxes within the municipality.

24 However, in ascertaining the rate per cent in
25 municipalities having a population of 500,000 or more, the
26 county clerk shall not add to the amount of the tax so levied
27 for any purpose any amount to cover the loss and cost of
28 collecting the tax, except in the case of amounts levied for
29 the payment of bonded indebtedness, or interest thereon, and
30 in the case of amounts levied for the purposes of pension
31 funds.

32 Where the corporate limits of a municipality lie partly
33 in 2 or more counties, the corporate authorities shall
34 ascertain the total amount of all taxable property lying

1 within the corporate limits of that municipality in each
2 county, as the property is assessed or equalized by the
3 Department of Revenue for the current year, and shall certify
4 the amount of taxable property in each county within that
5 municipality under the seal of the municipality, to the
6 county clerk of the county where the seat of government of
7 the municipality is situated. That county clerk shall
8 ascertain the rate per cent which, upon the total valuation
9 of all property subject to taxation within that municipality,
10 ascertained as provided in this Section, will produce a net
11 amount not less than the total amount directed to be levied.
12 As soon as that rate per cent is ascertained, that clerk
13 shall certify the rate per cent under his signature and seal
14 of office to the county clerk of each other county wherein a
15 portion of that municipality is situated. A county clerk to
16 whom a rate per cent is certified shall extend the tax in a
17 separate column upon the books of the collector of state and
18 county taxes for his county against all property in his
19 county within the limits of that municipality.

20 But in municipalities with 500,000 or more inhabitants,
21 the aggregate amount of taxes so levied exclusive of the
22 amount levied for the payment of bonded indebtedness, or
23 interest thereon, and exclusive of taxes levied for the
24 payment of judgments, for which a special tax is authorized
25 by law, and exclusive of the amounts levied for the purposes
26 of pension funds, working cash fund, public library,
27 municipal tuberculosis sanitarium, the propagation and
28 preservation of community trees, and exclusive of taxes
29 levied pursuant to Section 19 of the Illinois Emergency
30 Services and Disaster Agency Act of 1975 and for the general
31 assistance for needy persons lawfully resident therein, shall
32 not exceed the estimated amount of taxes to be levied for
33 each year for the purposes specified in Sections 8-2-2
34 through 8-2-5 and set forth in its annual appropriation

1 ordinance and in any supplemental appropriation ordinance
2 authorized by law for that year.

3 In municipalities with less than 500,000 inhabitants, the
4 aggregate amount of taxes so levied for any one year,
5 exclusive of the amount levied for the payment of bonded
6 indebtedness, or interest thereon, and exclusive of taxes
7 levied pursuant to Section 13 of the Illinois Civil Defense
8 Act of 1951 and exclusive of taxes authorized by this Code or
9 other Acts which by their terms provide that those taxes
10 shall be in addition to taxes for general purposes authorized
11 under this Section, shall not exceed the rate of .25%, or the
12 rate limit in effect on July 1, 1967, whichever is greater,
13 and on a permanent basis, upon the aggregate valuation of all
14 property within the municipality subject to taxation therein,
15 as the property is equalized or assessed by the Department of
16 Revenue for the current year. However, if the maximum rate of
17 such municipality for general corporate purposes is less than
18 .20% on July 1, 1967, the corporate authorities may, without
19 referendum, increase such maximum rate not to exceed .25%;
20 but such maximum rate shall not be raised by more than 1/2 of
21 such increase in any one year.

22 However, if the corporate authorities of a municipality
23 with less than 500,000 inhabitants desire to levy in any one
24 year more than .25%, or the rate limit in effect on July 1,
25 1967, whichever is greater, and on a permanent basis, but not
26 more than .4375% for general corporate purposes, exclusive of
27 the amount levied for the payment of bonded indebtedness, or
28 interest thereon, and exclusive of taxes authorized by this
29 Code or other Acts which by their terms provide that those
30 taxes shall be in addition to taxes for general purposes
31 authorized under this Section the corporate authorities, by
32 ordinance, stating the per cent so desired, may order a
33 proposition for the additional amount to be submitted to the
34 electors of that municipality at any election. The clerk

1 shall certify the proposition to the proper election
2 authority who shall submit the question to the electors at
3 such election. If a majority of the votes cast on the
4 proposition are in favor of the proposition, the corporate
5 authorities of that municipality may levy annually for
6 general corporate purposes, exclusive of the amount levied
7 for the payment of bonded indebtedness, or interest thereon,
8 and exclusive of taxes authorized by this Code or other Acts
9 which by their terms provide that those taxes are in addition
10 to taxes for general purposes authorized under this Section a
11 tax in excess of .25%, or the rate in effect on July 1, 1967,
12 whichever is greater, and on a permanent basis, but not
13 exceeding the per cent mentioned in the proposition.

14 Any municipality voting after August 1, 1969, to increase
15 its rate limitation for general corporate purposes under this
16 Section shall establish such increased rate limitation on an
17 ongoing basis unless otherwise changed by referendum.

18 In municipalities that are not home rule units, any funds
19 on hand at the end of the fiscal year, which funds are not
20 pledged for or allocated to a particular purpose, may by
21 action of the corporate authorities be transferred to the
22 capital improvement fund and accumulated therein, but the
23 total amount accumulated in such fund may not exceed 3% of
24 the aggregate assessed valuation of all taxable property in
25 the municipality.

26 (Source: P.A. 87-17.)

27 Section 99. Effective date. This Act takes effect on
28 January 1, 2004.